



Legislation Text

File #: 050610, Version: 2

050610
Substitute 2

The Chair

Substitute resolution amending Resolution File number 041196 for the purpose of permitting the issuance of General Obligation Variable Rate debt.

Resolution 041196 authorizes the issuance of fixed rate general obligation bonds for various corporate purposes. Over the long term, it has been historically beneficial to have a portion of long-term debt in variable rate, short-term interest rate, mode. This resolution modifies Resolution 041196 to permit the issuance of up to \$50 million of bonds under that resolution as variable rate debt (less than 10% of the City's outstanding General Obligation debt). This will permit the City to explore the procedural issues with having variable rate outstanding.

Whereas, Common Council Resolution File Number (CCFN) 041196 adopted on February 1, 2005, authorizes the issuance of Corporate Purpose Bonds pursuant to certain terms and conditions; and

Whereas, The debt of the City is substantially all fixed rate for the term of the debt; and

Whereas, It is prudent, and historically beneficial over the long term, to have a portion of the City's debt with a variable short-term interest rate component; and

Whereas, CCFN 041196 contemplates the issuance of fixed rate bonds; and

Whereas, The Common Council desires to modify CCFN 041196 to authorize the issuance of general obligation debt in a variable rate mode; and

Whereas, It is desirable to enter into a trust indenture providing for the issuance of the variable rate debt and a liquidity facility to support the issuance of the variable rate debt; and

Whereas, The City Comptroller has prepared Official Statements (the forms of which are attached hereto) for the purpose of providing comprehensive financial and economic information respecting the City of Milwaukee in connection with the sale of the City of Milwaukee, Wisconsin, General Obligation Notes and Bonds ("Offered Obligations"); and

Whereas, Financial and economic information has been compiled by the Office of the Comptroller from its annual financial report, property tax records maintained by the Assessor's Office and from other books and records of the City; and

Whereas, Concurrently with the delivery of the Offered Obligations, the City will deliver its certificates signed

by its Comptroller stating that the descriptions and statements, including financial statements, as pertaining to the City contained in the Official Statements as of its date and the date of sale and delivery of the Offered Obligations, were and are true and correct in all material respects and do not contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary to make the statements contained therein in the light of circumstances in which they were made not misleading; and

Whereas, Such certificates will further confirm to the effect that insofar as the descriptions and statements including financial data, contained in the Official Statements of or pertaining to non-governmental bodies and governmental bodies other than the City are concerned, such descriptions, statements and data have been obtained from sources believed by the City to be reliable, and that the City has no reason to believe that they are untrue or incomplete in any material respect; and

Whereas, It is the intention of the Common Council to approve the aforementioned Official Statements on the basis of the representations of the Comptroller to be included in the certificates signed by the Comptroller and delivered concurrently with the delivery of the Offered Obligations; and

Whereas, The City desires to use the Master Continuing Disclosure Certificate approved by Common Council File Number 031384 adopted on February 10, 2004 in connection with the issuance of the Offered Obligations; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee in accordance with chapter 67 of Wisconsin Statutes, that the Commissioners of the Public Debt are authorized and requested to issue and sell general obligation variable rate bonds pursuant to CCFN 041196 as may be amended from time to time; and, be it

Further Resolved, That the Trust Indenture for Variable Rate General Obligation Bonds (the "Indenture"), a form of which is attached to this resolution, is approved; and, be it

Further Resolved, That the liquidity facility in the form of the Standby Bond Purchase Agreement, a form of which is attached to this resolution, is approved; and be it

Further Resolved, That the following is added to CCFN 041196 after the last "Whereas" and before "now, therefore be it":

“and

Whereas, it is prudent, and historically beneficial over the long term, to have a portion of the City’s debt with a variable short-term interest rate component;”

; and, be it

Further Resolved, That the following is added to CCFN 041195 after the last "Further Resolved" and before the last "." in that section:

“; and, be it

Further Resolved, That the “corporate purpose bonds” may also be issued as variable rate corporate purpose bonds pursuant to the Trust Indenture for Variable Rate General Obligation Bonds attached to Resolution File Number 050610”

; and, be it

Further Resolved, That the Commissioners of the Public Debt are authorized to approve a liquidity facility to support the issuance of variable rate debt, and authorizes and directs the appropriate officers to execute and deliver the liquidity facility to support the issuance of variable rate debt; and, be it

Further Resolved, That the form of the Official Statements as attached hereto, and to be used in connection with the sale of the City of Milwaukee, Wisconsin, General Obligation Notes and Bonds (the "Offered Obligations") be and hereby are approved; and, be it

Further Resolved, That the Official Statements are true and correct in all material respects and do not contain an untrue statement of a material fact or omit to state a material fact required to be included therein or necessary to make the statements contained therein in the light of circumstances in which they were made not misleading; and, be it

Further Resolved, That the Comptroller is hereby authorized to prepare Official Statements, after the same have been completed by the insertion of the maturities, interest rates and other details of the Offered Obligations debt and by making such other insertions, changes or corrections as the Comptroller, based on the advice of the City's financial advisor and legal counsel (including the City Attorney or Bond Counsel), deem necessary or appropriate; and the Common Council hereby authorizes the Official Statements and the information contained therein to be used by the underwriters of the Offered Obligations in connection with the sale of the Offered Obligations; and, be it

Further Resolved, That the Comptroller is hereby authorized to execute Supplemental Certificate(s) of the Master Continuing Disclosure Certificate for the Offered Obligations; and, be it

Further Resolved, That the Commissioner of the Public Debt and appropriate City officials and their deputies are hereby each authorized to execute, deliver, publish, file and record such other documents, instruments, notices (including, without limitation, the Internal Revenue Service Form 8038-G) and records and to take such other actions as shall be necessary or desirable to accomplish the purposes of this Resolution and to comply with and perform the obligations of the City under the Indenture, the Offered Obligations, and other documents relating to the issuance of the Offered Obligations.

Comptroller
Comptroller
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